

Tsar Nicoulai Caviar, LLC
% Marion Mahone
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Laura Drabandt, Attorney
State Water Resources Control Board
Office of Enforcement
1001 I Street, PO Box 100
Sacramento, CA 95812

Re: Facility ID Number 268722
Complaint R5-2010-0541

Dear Ms. Drabandt:

Thank you very much for taking my call last week. I appreciate the helpfulness of the State Water Resources Control Board.

Per our telephone conversation I was contacted by Seth Weiner, attorney representing Tsar Nicoulai Caviar Holding (herein called Holding) on or about April 4, 2013 concerning an easement for SMUD to correct the ongoing issues at the Tsar Nicoulai Caviar Sturgeon Farm located at 10822 Gay Road, here after referred to 'LLC'.

I was quite taken aback at the call, and asked Mr. Weiner to call me back in a few days. In the following days, I realized that if I needed to sign the easement, that I was still the legal owner of the property. My accountant had requested the final numbers on the company, as our forbearance agreement was very specific in the manner in which these issues would be handled. I also discovered from Mr. Weiner, Mr. Mike Sullivan (attorney in Nevada), not only that 10822 Gay Road had not been foreclosed on, but there was ongoing litigation between 2 of the 3 shareholders of Tsar Nicoulai Caviar LLC. Needless to say, the litigation was between Holding (aka Kanbar Spirits, MK Investments) and the Engstroms. I cannot explain to you my numbness in realizing that issues had not yet been resolved at that location. Upon the realization of the implications regarding the Farm, I specifically asked Mr. Weiner to be honest with me and tell me precisely what was going on at the farm. Nothing was said regarding the Water Resources Board, only that upgrades needed to be made at the Farm with SMUD for further equipment. Additionally, I have discovered that the property taxes have been paid.

It was not until on or about May 1, 2013 in a telephone conversation with Jeff Viets, that the conversation turned to needing the SMUD upgrades to deal with California Water Boards issues, without telling me what those issues were. I then asked Jeff for an azbuilt

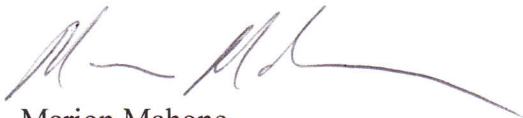
of the property, along with the proposed changes. He has to date (May 22, 2013) finally sent me a proposed site plan for my review.

Since the discovery that the foreclosure was not completed, the litigation in San Francisco was completed along with a judges' ruling that included the fact that 'Holding' had foreclosed on more than they were due (ruling attached), and that Holding is in the position of owing 'LLC' rent money for the facility.

On May 16, 2013, I received a certified letter informing me that the fine from LLC had not been paid. While I understand that 'ignorance' is no excuse, I immediately attempted to contact Wendy Wiles, whom I had notified of our foreclosure via email on February 11, 2011. After both receiving your certified letter, the lawsuit in San Francisco, and the pending litigation in Nevada, I attempted to contact LLC's former law firm Neiser and Vestal out of San Francisco. While the firm no longer represents LLC due to the fact that LLC owes it money, Mr. Neiser has always been kind in giving LLC 'guidance' on occasion. Mr. Neiser is not expected back from Europe until the end of the first week of June, 2013.

I am hereby requesting the Boards' consideration in granting me 90 days to sort through these issues with Holding, at the same time attempting to correct the issues that have been plaguing this facility for 15 years. While I understand the Boards' concern that LLC may file for bankruptcy, please rest assured that I am doing everything in my power to insure the Boards' payment.

Cordially yours,

A handwritten signature in dark ink, appearing to read 'M. Mahone', with a long horizontal flourish extending to the right.

Marion Mahone

Attached via email